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ARIZONA ATTORNEY GENERAL

August 19, 1960
Opinion No. 60-54

REQUESTED BY: GILA VALLEY SOIL CONSERVATION
DISTRICT

OPINION BY: WADE CHURCH, The Attorney General

QUESTION: Is a soil conservation district, duly organized under the provisions of Title 45, Chapter 8, Arizona Revised Statutes 1956, exempt from payment of personal property taxes and vehicle registration fees?

CONCLUSION: Yes.

Soil conservation districts are organized and function under the provisions of Title 45, Chapter 8, Arizona Revised Statutes (A.R.S. §§ 45-2001 to 45-2057). A.R.S. § 45-2001 declares the policy of such districts as follows:

"It is declared the policy of the legislature to provide for the restoration and conservation of lands and soil resources of the state and the control and prevention of soil erosion, and thereby to preserve natural resources, preserve wildlife, protect the tax base, protect public lands and in such manner to protect and promote the public health, safety and general welfare of the people."

Soil conservation districts are exempt from payment of personal property taxes and vehicle registration fees if they fall under the exemption provisions of Arizona Constitution, Article 13, § 7, which provides:

"Section 7. Irrigation, power, electrical, agricultural improvement, drainage, and flood control districts, and tax levying public improvement districts, now or hereafter organized pursuant to law, shall be political subdivisions of the State, and vested with all the rights, privileges and benefits, and entitled to the immunities and exemptions granted municipalities and political subdivisions under this Constitution or any law of the State or of the United States; but all such districts shall be exempt from the provisions of sections 7 and 8 of Article IX of this Constitution. Added, election Nov. 5, 1940, eff. Nov. 27, 1940."

The foregoing constitutional amendment became effective November 5, 1940, whereas the soil conservation district law did not become effective until March 17, 1941; otherwise it is assumed that the constitutional amendment would have included soil conservation districts by name.

However, the Attorney General is of the opinion that soil conservation districts are embraced within the words "agricultural improvement * * * districts", appearing in the foregoing constitutional provision so as to exempt such districts from payment of personal property taxes and vehicle registration fees.

The Supreme Court in the case of State of Arizona v. Yuma Irrigation District, 55 Ariz. 178, 99 P.2d 704, held that the Yuma Irrigation District was not a municipal corporation within a constitutional provision exempting municipal corporations from taxation, and as a result of that decision Arizona Constitution, Article 13, § 7, was amended by including by name the districts therein specified.

The Yuma Irrigation District decision cited with approval Day v. Buckeye Water Conservation and Drainage District, 28 Ariz. 466, 237 P. 636, wherein it was held that the function of an irrigation district "is purely business and economical and not political and governmental."

The case of Maricopa County Municipal Water Conservation District No. 1 v. La Prade, 45 Ariz. 61, 40 P.2d 94, held that irrigation districts are "established for the pecuniary profit of the inhabitants of a certain territorial subdivision of the state, but having no political or governmental purpose or functions."

A soil conservation district, on the contrary, is not organized for profit. It does, in the generic sense, exercise some political functions and extensively exercises governmental functions which are purely voluntary, profitless, and not financed by the exercise of the power of taxation.

A reading of the statutes affecting soil conservation districts leads to the inevitable conclusion that they are designed primarily to improve many types of industry relating to agriculture and that, therefore, in the most restricted sense of the words, they are properly included within the term "agricultural improvement district" as that term appears in the constitutional provision above cited.

Gila Valley Soil Conservation District

August 19, 1960
Page Three

Therefore, it is the opinion of the Attorney General that soil conservation districts are exempt from the payment of personal property taxes and vehicle registration fees and that accordingly Opinion No. 59-47, rendered by the Attorney General on March 3, 1959, is overruled.

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